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## **Microsoft's Enterprise Project Management Vision for the US Navy**

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### **Abstract**

The focus on project-based work is increasing and a number of vendors are offering technology-based solutions to help companies manage projects. The Microsoft® Enterprise Project Management (EPM) solution empowers workgroup executives to use tools that are part of the NMCI infrastructure to optimize resources and project portfolios with tools to view and analyze processes and information worker performance and enables project teams to efficiently manage and successfully complete projects. This paper lays out the challenges associated with managing project-based work, how the industry is trying to address these corporate challenges, and how Microsoft's EPM solution is positioned to effectively empower key executives and teams with the insight and control necessary to successfully manage today's complex projects.

## **The Industry**

The global economic downturn has left Navy commands and government organizations scrambling for ways to cut costs. Eliminating inefficiencies and redundancies and downsizing are just a few of the cost saving measures corporations are implementing in the face of shrinking markets and increased competition. Augmenting these economic challenges is an environment which has led to an increase in regulatory mandates--most notably in the United States, the Sarbanes-Oxley Act and DoD's Earned Value Management mandates--that require greater accountability. Compliance with these regulations is requiring Navy commands, the DoD and the Navy to adopt better project management and reporting processes that are clearly auditable, and linked to the corporate financial accounting systems. These trends, coupled with the significant increase in project-based work, are leading to a greater focus on project management technology solutions to enhance organization and communication and reduce costs. The IDC 2000-2004 Project Management Applications Market Forecast and Analysis Bulletin underscores this increased focus, predicting that this market will increase at a compound annual growth rate (CAGR) of 12.9% from 2000 through 2004, reaching \$2.1 billion in license and related service revenue in 2004. These solutions are being adopted because Navy commands are facing significant challenges as a result of economic and competitive pressures.

## **The Problem**

Projects fail at alarming rates. More than half of all projects are either over budget or overdue and \$55 billion was wasted on failed projects in the U.S. alone (The Standish Group, CHAOS Chronicles, 2003). These failures are due in large part to a lack of cohesive project management and the nature of the work being conducted.

## **Business Pain Points**

Businesses based on knowledge work have several unique pain points. Chief among these challenges is resource utilization. The larger the organization or team, the more difficult it is to know who is available to get projects completed and whether or not their skill sets match the job requirements. Additionally, in many organizations, work is now dispersed between in-house staff, virtual teams, partners, and outsourcing providers making managing these relationships even more difficult. And today's budget constraints are forcing Navy commands to do more with less; shrinking budgets are forcing executives to be selective about the projects and initiatives they undertake as every investment needs to be justified. Executives need insight into the minutiae of their business units in order to evaluate performance and ensure their organizations are optimally economical and effective.

In addition to this focus on internal pressures, Navy commands, especially the SYSCOMs, must constantly evaluate evolving customer demands which leads to rapid, and often arbitrary, changes in focus and strategy. Executives managing business units must be able to quickly evaluate resources and identify best practices in order to align their efforts with these higher level corporate goals. Navy commands are turning to project management solutions to add the insight and control necessary to address these challenges.

## **The Microsoft EPM Solution**

The Microsoft EPM solution delivers sustainable value to a business with a strategic approach consisting of four components designed to fulfill the needs of project teams, project managers, resource managers and executives. When deployed in this way, this solution delivers division-wide visibility, insight and control.

### **Project Management – Manages projects centrally.**

Microsoft EPM is a systematic approach to achieve organizational unit goals through the central management of a project portfolio. A project portfolio can consist of strategic initiatives, business transformation activities, operational improvements, and traditional development projects, all of which are implemented in distinct groups or departments within the organization. Through a central repository, executives can maintain and roll out project plan templates for organization-wide consistency and compliance. By continually assessing project performance, they improve their processes, increase quality, and lower costs. And this consistent portfolio management allows for more seamless reporting to superiors.

### **Portfolio Management – Aligns initiatives with strategic objectives.**

Managing a portfolio of projects is a continual process of selecting and investing in projects that align with corporate strategies. To ensure alignment, management must constantly evaluate and readjust the portfolio, from both a budgetary and resource perspective. With the ability to evaluate and analyze the value of their overall portfolio of projects, organizations no longer waste time and resources on work that does not contribute to the bottom line. The result is lower costs and the ability to maximize opportunities.

### **Resource Management – Brings organizational “parts” together for a “big picture” view.**

People are the most valuable – and the most expensive – assets in an organization. But it is a challenging task to effectively manage human capital. While it is easy to count the number of employees there are, understanding what skill sets an organization has and knowing where skill sets are deployed at any given time is an altogether different task. Microsoft EPM addresses that challenge by offering a centralized database that maintains a complete inventory of resource

information for accurately tracking skills, utilization, and availability. With this information, resource managers can use the powerful tools of EPM to evaluate resource commitments across the entire project portfolio and assemble high-performing project teams. They can also quickly forecast resource needs to balance capacity with project demands so they can strategically recruit and develop their staff. With a tool that provides a high level view of human resources, organizations can effectively staff project teams, gain a holistic view of corporate capabilities and identify human capital weakness and strengths to make strategic hiring and firing decisions.

### **Communication and Collaboration – Facilitates participation from all project stakeholders.**

Project success is directly related to effective communication. But project teams have become more dispersed, geographically and culturally, creating communication complexities that can slow projects and inhibit the transfer of information across the team. To combat communication complexities, team members require flexible tools that enhance collaboration and knowledge management.

The Microsoft EPM solution supports this need by providing an infrastructure for broad access to relevant project information using familiar tools that are available on desktops or through Web based tools. For example, reporting practices can be established for greater project control. Team members can view and submit task status to ensure they are providing regular updates and receiving consistent feedback from their managers. Similarly, managers can review critical business reports via their own desktop applications or through the Web, which helps them make more informed and timely decisions.

## **EPM Adoption by Key Stakeholders - How it Works**

These four components offer different capabilities to the four central groups who will use the EPM solution (see Figure 1 on p.11). PEO resource sponsors at the Systems Commands are concerned about the health of their project portfolio. They can gain access to this critical information through Microsoft Office Project Web Access, which provides a portal view to Microsoft Office Project Server 2003 and data stored on Microsoft SQL Server™. By monitoring this easily accessible information, executives can quickly spot problem areas and take corrective action. The EPM solution also allows executives to monitor consistent business metrics using a customizable, scorecard view of projects across a portfolio, and drill down into the details of projects as needed. Executives can evaluate and model schedule, resource, and cost data over time and across projects to identify trends

### **The EPM solution consists of the following products:**

#### **Microsoft Office Project Professional 2003**

Project Professional is the desktop enterprise project management application that is used with Project Web Access and Project Server. In addition to core project scheduling capabilities, Project Professional provides powerful portfolio and resource management capabilities when connected to Project Server. Project Professional is used by project managers who need to schedule projects, assign team members from a central

and address problem areas. From this extensive access to critical information, they can compile up-to-date portfolio-related information through better integration with existing systems using industry-standard XML. Executives, as well as all other groups, can also use Microsoft Windows® SharePoint™ Services to create and leverage team-oriented Web sites that share information and foster collaboration.

Project managers within the Systems Command labs are concerned with project scheduling and costing and rely on Microsoft Office Project Professional 2003 which links with Microsoft Office Project Server 2003 and Microsoft Office Project Web Access to provide portfolio management and modeling, skill-based resource assignment, and project collaboration. Project managers can publish information from Project Professional 2003 to Project Server 2003 to share and track project plans centrally.

Resource managers need to understand the utilization of resources and the intellectual assets (i.e. skills sets) across their organization. They use enterprise resource management tools in Microsoft Project Professional 2003 to effectively allocate resources to projects and analyze utilization across their organization.

Team members also access project information through Project Web Access which offers several collaboration features to increase team member commitment and involvement throughout the lifecycle of projects. In addition to reporting progress on work, team members can identify issues and documents which relate to projects and tasks. An e-mail notification system helps team members stay informed by automatically sending out emails that alert users to project updates, upcoming milestones and other issues that contain direct links to project plans in Project Web Access.

#### **Figure 1: EPM Solution**

resource pool to project tasks, and save their information centrally to Project Server to share with others.

##### **Microsoft Office Project Server 2003**

Project Server is the platform that supports the project and resource management and collaboration capabilities in the EPM solution. Users connect to Project Server through Project Professional and Project Web Access to save, retrieve, and interact with Project Server data. To take advantage of Microsoft Windows SharePoint Services™ capabilities—including document management and project-related issues and risk tracking—Project Server 2003 requires Microsoft Windows Server 2003. Windows SharePoint Services is a component of Windows Server 2003 that enables users to create Web sites for information sharing and document collaboration.

##### **Microsoft Office Project Web Access 2003**

Project Web Access is the Web portal that enables people to connect to project and resource information in Project Server. Team members, executives, and resource managers (or anyone who needs access to Project Server information but does not require the scheduling capabilities of Project Professional) use Project Web Access through a Web browser to view and update information.

